

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 527, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 16-18-2-121.5 IS ADDED TO THE INDIANA
- 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 5 [EFFECTIVE UPON PASSAGE]: "**Extended length of stay**" means
- 6 **a length of stay in an acute care hospital inpatient unit that exceeds**
- 7 **one (1) standard deviation of the hospital wide average length of**
- 8 **stay.**
- 9 SECTION 2. IC 16-18-2-123 IS AMENDED TO READ AS
- 10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 123. (a) "Family",
- 11 for purposes of IC 16-25, includes an individual's spouse, sibling, child,
- 12 and parent.
- 13 (b) "**Family**", for purposes of IC 16-18-2-167, includes members
- 14 **of a religious order or society whose members live together and**
- 15 **whose property is exempt from taxation under IC 6-1.1-10-21."**
- 16 Page 1, line 7, after "it" insert "**is operated for hospital purposes**
- 17 **and that it**".
- 18 Page 2, line 2, delete "Freestanding convalescent" and insert
- 19 "Convalescent".
- 20 Page 2, delete lines 15 through 22.

1 Page 2, line 32, after "facilities" insert ",",

2 Page 2, line 32, delete "any health" and insert "**the provision of**
3 **acute care in hospital inpatient units to patients with extended**
4 **lengths of stay.**

5 SECTION 5. IC 16-21-2-5 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The governing
7 board of the hospital is the supreme authority in the hospital and is
8 responsible for the following:

9 (1) The management, operation, and control of the hospital.

10 (2) The appointment, reappointment, and assignment of privileges
11 to members of the medical staff, with the advice and
12 recommendations of the medical staff, consistent with the
13 individual training, experience, and other qualifications of the
14 medical staff.

15 (3) Establishing requirements for appointments to and continued
16 service on the hospital's medical staff, consistent with the
17 appointee's individual training, experience, and other
18 qualifications, including the following requirements:

19 (A) Proof that a medical staff member has qualified as a health
20 care provider under IC 16-18-2-163(a).

21 (B) The performance of patient care and related duties in a
22 manner that is not disruptive to the delivery of quality medical
23 care in the hospital setting.

24 (C) Standards of quality medical care that recognize the
25 efficient and effective utilization of hospital resources,
26 developed by the medical staff.

27 **(4) Upon recommendation of the medical staff, establishing**
28 **protocols within the requirements of this chapter and**
29 **410 IAC 15-1.2-1 for the admission, treatment, and care of**
30 **patients with extended lengths of stay."**

31 Page 2, delete lines 33 through 42.

32 Page 3, delete lines 1 through 4.

33 Page 3, between lines 24 and 25 begin a new paragraph and insert:

34 "SECTION 7. IC 16-22-3-17 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) The
36 governing board may mortgage all or part of an interest in real or
37 personal property owned by the hospital and may enter into a sale and
38 leaseback of hospital property on terms and conditions acceptable to

1 the board.

2 (b) The following property may be disposed of on terms and
3 conditions acceptable to the board:

4 (1) Real or personal property subject to a mortgage or sale and
5 leaseback arrangement.

6 (2) Real or personal property in which the hospital has an
7 ownership interest as a participant in an organization or activity
8 described in section 1(b) of this chapter.

9 (3) An arrangement in which at least two (2) hospitals participate
10 for the provision of any hospital or related services, including
11 participation or ownership as a tenant in common with other
12 hospitals.

13 (c) Except as provided in subsection (b), real or personal property
14 or an interest in real or personal property owned by the hospital may be
15 disposed of as follows:

16 (1) Personal property:

17 (A) that has limited or no use to the hospital; and

18 (B) that:

19 (i) has value not exceeding ~~five~~ **fifteen** thousand dollars
20 ~~(\$5,000);~~ **(\$15,000)**; or

21 (ii) is traded upon purchase of other personal property;
22 may be disposed of without the necessity of advertising,
23 auctioning, or requesting bids.

24 (2) Real property that the board considers no longer necessary for
25 hospital purposes shall be sold after the following occur:

26 (A) The property is appraised by three (3) disinterested owners
27 of taxable real property of the county.

28 (B) The board publishes notice of the sale one (1) time at least
29 seven (7) days before the date of the sale.

30 (C) The sale is approved by the commissioners.

31 The board shall determine the time, terms, and conditions of the
32 sale of property.

33 (3) Personal property other than property described in subdivision
34 (1) shall be sold at public auction. The board shall publish notice
35 of the sale one (1) time at least seven (7) days before the date of
36 the sale. If sealed bids are solicited in the published notice of the
37 sale, the bids must be opened in public on the date and time of the
38 sale to satisfy the public auction requirement.

1 Upon the sale of real property under this subsection and the payment
 2 of the purchase price, the board and the commissioners shall execute
 3 a deed of conveyance to the purchaser. The proceeds of all sales are a
 4 part of the hospital funds to be held and used for the use and benefit of
 5 the hospital.

6 (d) If a trust (as defined in IC 30-4-1-1(a)) submits a bid in a sale or
 7 lease conducted under subsection (b), (c), or (e), the bid must identify
 8 each:

9 (1) beneficiary of the trust; and

10 (2) settlor empowered to revoke or modify the trust.

11 (e) If it is determined by the board, the county executive, and the
 12 county fiscal body, by joint resolution, that:

13 (1) the hospital should cease doing business as a county hospital;

14 (2) the hospital should be terminated and dissolved; and

15 (3) the entire hospital building or buildings should be sold or
 16 leased to a for-profit corporation, partnership, or entity;

17 the proposed sale or lease shall be considered publicly, and the board,
 18 the county executive, and the county fiscal body shall follow the
 19 procedures of IC 16-22-6-18 concerning notice and hearing on the
 20 terms and provisions of the sale or lease. The terms and provisions of
 21 the sale or lease shall be determined by the board, the county executive,
 22 and the county fiscal body and shall be presented at a hearing as
 23 required by IC 16-22-6-18.

24 (f) An individual who is a:

25 (1) board member in the member's capacity as a board member;
 26 or

27 (2) member of:

28 (A) the county executive; or

29 (B) the county fiscal body;

30 is immune from potential or actual liability attributable to the
 31 individual with respect to a sale or lease under subsection (e).

32 (g) In the event of a sale or lease under this section, the county is not
 33 liable for:

34 (1) any liabilities of the hospital that:

35 (A) were incurred on or before; or

36 (B) are incurred at any time after;

37 the sale or lease date; or

38 (2) any future liabilities incurred by the successor entity;

1 unless otherwise agreed to by the county at the time of the sale or lease
 2 in the sale or lease document. Any liabilities described in this
 3 subsection are the responsibility of the purchasing or leasing entity,
 4 unless agreed to otherwise in the sale or lease document.

5 (h) After the hearing on the proposed sale or lease, if it is
 6 determined by the board, the county executive, and the county fiscal
 7 body that the sale or lease should proceed, the hospital building or
 8 buildings shall be sold or leased in accordance with proposed terms and
 9 provisions.

10 (i) The board, the county executive, and the county fiscal body shall
 11 execute:

12 (1) a deed of conveyance upon payment of the purchase price if
 13 the buildings are sold; or

14 (2) a lease upon terms the board, the county executive, and the
 15 county fiscal body consider reasonable if the buildings are leased.

16 (j) The proceeds of the sale or lease of all of the hospital buildings
 17 must first be applied to outstanding indebtedness attributable to the
 18 hospital buildings. The commissioners shall deposit the balance of the
 19 proceeds from the sale or lease and any property in the hospital fund in:

20 (1) a nonexpendable interest bearing trust fund from which claims
 21 are paid for county hospital claims for the indigent or any other
 22 fund that the county executive and county fiscal body designate;
 23 or

24 (2) the county general fund."

25 Page 3, delete lines 25 through 39.

26 Renumber all SECTIONS consecutively.

(Reference is to SB 527 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

Senator Miller, Chairperson